

**ANNEX I to the  
Memorandum of Agreement between  
the Transportation Security Administration and  
the Federal Aviation Administration**

**RESOURCES**

1. Purpose. The Transportation Security Administration (TSA) and the Federal Aviation Administration (FAA) ("the Parties") have a mutual interest in ensuring that the security of the U.S. transportation system is highly effective and coordinated, maximizes the effective use of existing governmental resources, and avoids unnecessary costs to the American taxpayer. Accordingly, the Parties are committed to putting forth their best efforts to achieve agreement on all matters on which they coordinate under this Annex. To that end, the Parties will:
  - a. Bring their respective subject matter expertise to bear on transportation security issues; and
  - b. Identify potential synergies and avoid duplication in program development and implementation.
2. Definitions. As used in this Annex:
  - a. The term "coordinate" means to take action which provides reasonable notice of an agency's resource activities and which affords the notified agency, when possible, a reasonable opportunity to address concerns raised by such notice.
  - b. The term "reasonable notice" means as soon as possible, preferably prior to action, without placing an activity in jeopardy.
3. Desired Outcomes.
  - a. An information sharing process that provides the maximum amount of information concerning security-related issues at the earliest time possible during the budget development process.
  - b. A coordinated security budget that maximizes the effective use of existing governmental resources and enhances the potential for Administrative and Congressional approval subject to each agency's needs and priorities.
  - c. Efficient administration of the security responsibilities of TSA and FAA.
  - d. Maximum involvement of affected stakeholders where appropriate and practical.
4. Action. The Parties agree to coordinate on the development of security-related budget requests, justifications, defenses, and execution. Coordination will be on an informal basis and

accomplished through early collaboration by the points of contact listed below. Specifically, the Parties agree to coordinate:

a. Budget Development.

- (1) In formulating their Departmental budget requests, the Parties will meet each January or February to review security goals and objectives proposed by the Parties, prioritize these goals and objectives, and identify plans, approaches, and resources (both dollars and personnel) needed for achieving them; and
- (2) The Parties agree to review security-related proposals being developed in their respective agencies to identify potential synergies and avoid duplication.

b. Budget Justification. To the maximum extent possible, the Parties agree to share:

- (1) Draft security-related budget justifications that are developed to support the budget requests submitted to each Party's Department and the Office of Management and Budget (OMB);
- (2) The results of Departmental and OMB passbacks; and
- (3) Draft testimony that will be given before Congressional committees on issues affecting transportation security.

c. Budget Defense. When responding to security-related inquiries from Federal oversight bodies such as the OMB, the U.S. Congress (to include Questions for the Record), the Inspector General, and the General Accounting Office, the Parties agree to collaborate on their respective responses.

d. Budget Execution. To the maximum extent possible, the Parties agree to coordinate with each other on the allocation and use of security funds at the program and project level, the deployment of staff, and the establishment of annual program goals to maximize the effectiveness of the existing resources. The Parties also agree to coordinate with each other in the implementation of non-security programs where those programs may have an impact on actual or proposed security activities. Where grants are authorized and funded and include funding for security purposes, the Parties agree to consult with each other in (1) establishing eligibility and evaluation criteria for those security funds, (2) selecting grantees, (3) determining, if appropriate and permissible, the amount and intended use of security grant funds, and (4) monitoring the subsequent use of security grant funds.

e. Other Support. Unless specifically noted in the overarching agreement or annexes thereto, it is the intent of the Parties for FAA to end all on-going contractual and accounting support, including the collection and management of security fees (e.g., fingerprinting fees), for TSA no later than March 1, 2003. It is further agreed that:

- (1) FAA will provide assistance in transferring to TSA or closing out existing agreements with entities with which FAA had been the federal partner, but now TSA is that partner. As appropriate, TSA will replace these agreements with new agreements between TSA and these entities as soon as practicable. TSA will be responsible for any costs associated with transfer or close out of these agreements.
- (2) FAA will provide assistance in closing out or transferring accounting records, as is determined appropriate by the Parties, consistent with applicable direction from the Treasury and the OMB.

5. On-Going, Non-Reimbursable Support. The Parties agree that the following activities will continue without any reimbursable support by one Party to the other, unless alternative arrangements are specifically agreed to by both Parties:

- a. The coordination of budget activities specified in paragraph 4.
- b. The collection, analysis, and appropriate dissemination of aviation security information, to include appropriate coordination with intelligence and law enforcement entities.
- c. The use of certain communication frequencies assigned to FAA and selected by FAA for use by TSA, subject to the provisions of paragraph 7.
- d. The provision of FAA's annual Forecasts of Aviation Activity to TSA. These estimates should be used by the working group that meets each January or February when formulating and coordinating security budget requests for the Parties.
- e. The use of FAA headquarters communication center, FAA's regional communication centers, and related communication systems when already being used by FAA in an aviation-related matter that requires TSA involvement, subject to the provisions of paragraph 6g.
- f. Any other activity specified in this MOA, annexes thereto, or other agreements that will be provided without reimbursement (such as FAA support of TSA intelligence element and TSA intelligence support of FAA as detailed in Annex V).

6. Reimbursable Support. No funds will be obligated pursuant to this Annex. Except for those services mentioned in paragraph 5. or specifically exempted from reimbursable support in the MOA, annexes thereto, or other agreements between the Parties, the Parties agree that they may enter into reimbursable or similar agreements with each other for other services. It is the intent of the Parties that such agreements will fully reimburse the Party providing the service for all additional costs imposed on that Party by providing the service requested. Reasonable and applicable overhead costs may also be included. Such services may include but are not limited to:

- a. The use of the Center for Management Development in Palm Coast, Florida;
- b. The use of the Mike Monroney Aeronautical Center in Oklahoma City, Oklahoma;
- c. The use of the William J. Hughes Technical Center in Atlantic City, New Jersey. (Details of FAA Technical Center support of the Federal Air Marshal program and of TSA Security Research and Development activities are set forth in a separate Interagency Service Level Agreement between TSA, Transportation Security Laboratory and the FAA, William J. Hughes Technical Center, No. DTFA03-02-X-90026, executed on October 2, 2002.)
- d. The use of headquarters, regional, and overseas offices and administrative functions provided by these offices;
- e. The use of headquarters, regional, and overseas support contracts and leases for real and personal property;
- f. Frequency management support, subject to the provisions of paragraph 7;
- g. Support of TSA operations watch either at the Washington Operations Center Complex or alternate locations that involves expenditures by FAA necessary to provide support for unique TSA requirements (that is, costs which FAA would not have incurred were it not for support requested by TSA); and
- h. Airlift support provided by the FAA Hangar 6 flight operation, including Hangar 6 support of TSA K-9 Explosive Detection Team training materials.

7. Radio Spectrum Issues. In recognition of the urgent telecommunication requirements that TSA faced when it was being established, FAA abandoned the use of three frequencies previously designated for FAA use and submitted frequency applications that designate TSA as the licensee. Two of the frequencies were paired to create one duplex channel and the third was designated as a simplex channel. This "re-designation" provided TSA with an immediate nationwide frequency plan that allowed for one duplex and one simplex channel at airports needing them. These assignment applications are pending with the National Telecommunications and Information Administration (NTIA). TSA agrees that it will make all future requests for radio frequencies through the Department of Homeland Security to NTIA. FAA agrees, however, to assist in the coordination of future requests with NTIA.

8. Actions Requiring Departmental Approval. In addition to the coordination described above, if either Party engages in activities which could ultimately result in an action requiring the approval of the head of the Department in which either Party operates, the Parties will follow any applicable Departmental approval and coordination policies.

9. Points of Contact. In initiating coordination required by this Annex, each Party's point of contact, or that point of contact's designee, will coordinate with the other Party's point of contact,

or its designee. Subject to updates by the Parties, the following persons constitute points of contact with respect to this Annex:

TSA:

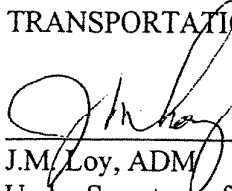
Director of Performance Standards and Resource Management  
Transportation Security Administration  
TSA Headquarters  
701 South 12<sup>th</sup> Street  
Arlington, VA 22202

FAA:

Director, Office of Budget (ABU-1)  
Federal Aviation Administration  
800 Independence Avenue, S.W.  
Washington, DC 20591

APPROVED BY:

TRANSPORTATION SECURITY ADMINISTRATION



J.M. Loy, ADM  
Under Secretary of Transportation for Security

2/28/03  
Date

FEDERAL AVIATION ADMINISTRATION



Marion C. Blakey  
Administrator

2/28/03  
Date